UNITED STATES DISTRICT COURT FOR THE DISTRICT OF DELAWARE

AUTOMOTIVE TECHNOLOGIES INTERNATIONAL, INC.,

Case No. 06-187-GMS

Plaintiff,

VS.

AMERICAN HONDA MOTOR COMPANY, ELESYS NORTH AMERICA, INC., and GENERAL MOTORS CORPORATION,

Defendants.

AUTOMOTIVE TECHNOLOGIES INTERNATIONAL, INC.

Case No. 06-391-GMS

VS.

HYUNDAI MOTOR AMERICA, BMW OF NORTH AMERICA, LLC., and KIA MOTORS AMERICA, INC.

Defendants.

JOINT STATUS REPORT

This constitutes the parties' second semiannual status report concerning the above captioned cases, which have been stayed pending the resolution of various ex-parte and interparte requests for reexamination of a number of the patents-in-suit. The requests for reexamination were made by certain of the Defendants in the ATI v Elesys/Honda litigation.¹

Since the parties' last status report on August 21, 2007, the reexamination proceedings have proceeded in the United States Patent and Trademark Office. ATI has also instituted

additional patent infringement claims in other courts which involve some of the same defendants and patents as the above-captioned cases.²

Plaintiff ATI expects to receive in the near future certificates of reexamination for two of the patents at issue, one from each general family of patents asserted in the litigation. ATI expects that these two patents under re-exam will have confirmed a number of independent and dependent claims, and it intends to seek to lift the stay and proceed with the above litigation on the basis of the two patents allowed after reexamination and the remaining patents in the case for which reexamination has not been sought. While ATI expects success in the reexamination procedure with respect to several other patents, it believes that once the certificates for two of the patents at issue are received, there is no further need to wait until the termination of all of the reexamination proceedings before reopening this case.

Defendants believe that it is unlikely the patents will survive reexamination in their original form. Defendants maintain that it is premature to consider ATI's suggestion that the case should proceed upon completion of the first two reexamination proceedings. Instead, if and when the two reexamination certificates issue, Defendants can then address whether the stay should remain in place.

The *Honda* defendants initially sought reexamination of five patents, and subsequently sought reexamination of several additional patents. The eight patents currently in reexamination are the following: U.S. Patent Nos. 6,712,387 ("the '387 patent"), 6,325,414 ("the '414 patent"), 6,942,248 ("the '248 patent"), 6,484,080 ("the '080 patent"), 6,757,602 ("the '602 patent"), 6,422,595 ("the '595 patent"), 6,397,136 ("the '136 patent"), and 5,901,978 ("the '978 patent"). The *Hyundai* defendants have not sought any reexaminations.

² On October 19, 2007, ATI joined Defendants Hyundai Motor America ("HMA") and Kia Motors America ("KMA") as defendants in a patent infringement case in Michigan that involves one of the patents at issue in this case (U.S. Patent No. 6,850,824). *ATI v. Siemens FCO, et al., No. 2:06-15756 (E.D. Mich.)*. On February 11, 2008, ATI also filed a patent infringement case against HMA, GM and others in Texas that involves three of the patents at issue in this case (U.S. Patent Nos. 6,850,824, 6,869,100 and 6,833,516). *ATI v. GM, et al., No. 2:08:57 (E.D. Tex.)*.

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